

# EXHIBIT

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**BENTON COUNTY FOODS, LLC**

**OPERATING AGREEMENT**

**Effective April 28, 2007**

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## OPERATING AGREEMENT

THIS OPERATING AGREEMENT is made and entered into as of April 28, 2007 (the "Effective Date"), by and among the undersigned Members who, in consideration of the mutual covenants herein contained, agree as follows:

### ARTICLE I

#### DEFINITIONS

1.01 Defined Terms. The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided herein):

(a) "Act" shall mean the Arkansas Limited Liability Company Act as now in effect and as amended or superseded from time to time.

(b) "Agreement" shall mean this Operating Agreement as originally executed and as amended from time to time.

(c) "Business Day" shall mean any day other than a Saturday, Sunday or other day on which commercial banks in the City of Jackson, Mississippi are authorized or required by law or executive order to close.

(d) "Board or Board of Directors" shall mean the group of Directors selected in accordance with Article IV herein and given the authority set forth herein.

(e) "Capital Account" as of any given date shall mean the Capital Contribution to the Company by a Member as adjusted up to the date in question pursuant to Article IX.

(f) "Capital Contribution" shall mean any contribution to the capital of the Company in cash, property or services by a Member whenever made.

(g) "Certificate" shall mean the Articles of Organization of the Company, as filed with the Secretary of State of the State of Arkansas and as the same may be amended from time to time.

(h) "Code" shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent superseding federal revenue laws.

(i) "Company" shall refer to "Benton County Foods, LLC". If "Company" is used in reference to the Code or any Treasury Regulation, then for purposes of applying the Code or Treasury Regulation, "Company" shall be understood to constitute a "partnership."

(j) "Deficit Capital Account" shall mean with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the taxable year, after giving effect to the following adjustments: (i) credit to such Capital Account any amount which such Member is obligated to restore under Section 1.704-1(b)(2)(ii)(c) of the Treasury Regulations, as well as any addition thereto pursuant to the next to last sentence of Sections 1.704-2(g)(1) and (i)(5) of the Treasury Regulations, after taking into account thereunder any changes during such year in partnership minimum gain (as determined in

accordance with Section 1.704-2(d) of the Treasury Regulations) and in the minimum gain attributable to any partner nonrecourse debt (as determined under Section 1.704-2(i)(3) of the Treasury Regulations); and (ii) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Treasury Regulations. This definition of Deficit Capital Account is intended to comply with the provision of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and 1.704-2, and will be interpreted consistently with those provisions.

(k) “Distributable Cash” means all cash, revenues and funds received by the Company from Company operations, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders; (ii) all cash expenditures incurred incident to the normal operation of the Company's business; (iii) such Reserves as the Directors deem reasonably necessary to the proper operation of the Company's business.

(l) “Economic Interest” shall mean a Member's or Economic Interest Owner's share of one or more of the Company's Net Profits, Net Losses and distributions of the Company's assets pursuant to this Agreement and the Act, but shall not include any right to participate in the management or affairs of the Company, including, the right to vote on, consent to or otherwise participate in any decision of the Members.

(m) “Economic Interest Owner” shall mean the owner of an Economic Interest who is not a Member.

(n) “Effective Date” is defined in the preamble of this Agreement.

(o) “Entity” shall mean any general partnership, limited partnership, limited liability company, limited liability partnership, corporation, joint venture, trust, business trust, unincorporated entity, cooperative or association or any foreign trust or foreign business organization.

(p) “Fiscal Year” shall mean the Company's fiscal year which shall end on the Saturday closest to May 31st of each year.

(q) “Gifting Member” shall mean any Member or Economic Interest Owner who gifts, bequeaths or otherwise transfers for no consideration (by operation of law or otherwise, except with respect to bankruptcy) all or any part of its Membership Interest or Economic Interest.

(r) “Majority Interest” shall mean one or more units of voting Membership Interests which taken together exceed fifty percent (50%) of the voting rights of Membership Interests present at any meeting and entitled to vote at which a quorum is present.

(s) “Member” shall mean each party who executes a counterpart of this Agreement as a Member and each of the parties who may hereafter become Members. If a Person is a Member immediately prior to the purchase or other acquisition by such Person of an Economic Interest, such Person shall have all the rights of a Member with respect to such purchased or otherwise acquired Membership Interest or Economic Interest, as the case may be. If “Member” is used in reference to the Code or any Treasury Regulation, then for purposes of applying the Code or Treasury Regulation, a “Member” shall be understood to constitute a “partner.”

(v) “Membership Interest” shall mean a Member's entire interest in the Company including such Member's Economic Interest and the right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members granted pursuant to this Agreement and the Act. Membership

Interests shall be denominated in Units and the total number of Units of Membership Interests which the Company shall have authority to issue is 1,000 Units of Membership Interests ("Units").

(w) "Units" shall have the meaning set forth in Section 1.01(v).

(x) "Net Profits" and "Net Losses" shall mean the income, gain, loss, deductions, and credits of the Company in the aggregate or separately stated, as appropriate, determined in accordance with Section 10.05 at the close of each fiscal year.

(y) "Person" shall mean any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such "Person" where the context so permits.

(z) "Reserves" shall mean, with respect to any fiscal period, funds set aside or amounts allocated during such period to reserves which shall be maintained in amounts deemed sufficient by the Members for working capital and to pay taxes, insurance, debt service, or other costs or expenses incident to the ownership or operation of the Company's business.

(aa) "Resigning Member" shall have the meaning set forth in Section 13.01(d).

(bb) "Securities Acts" shall have the meaning set forth in Section 16.15.

(cc) "Selling Member" shall mean any Member or Economic Interest Owner which sells, assigns, pledges, hypothecates or otherwise transfers for consideration all or any portion of its Membership Interest or Economic Interest.

(dd) "Transferring Member" shall mean a Selling Member or a Gifting Member.

(ee) "Treasury Regulations" shall include proposed, temporary and final regulations promulgated under the Code in effect as of the date of filing the Certificate and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

(ff) "Withdrawal Event" shall mean the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member or occurrence of any other event which constitutes an event of disassociation of a Member as provided in the Act.

(gg) "'33 Act" shall have the meaning set forth in Section 8.08(b).

1.02 Other Definitional Provisions. All definitions contained in this Agreement are equally applicable to the singular and plural forms of the terms defined. The words "hereof", "herein", and "hereunder" and words of similar import referring to this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specified, all Article and Section references pertain to this Agreement. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles. Terms used herein that are defined in the Act, unless otherwise defined herein, shall have the meanings specified in the Act.

## ARTICLE II

### FORMATION OF COMPANY

2.01 Formation. On April 4, 2007, James H. Neeld, III, acting in his capacity as an attorney for the Company, organized the Company as an Arkansas limited liability company by executing and delivering the Certificate to the Arkansas Secretary of State in accordance with and pursuant to the Act.

2.02 Name. The name of the Company is "Benton County Foods, Inc.". The name of the Company may be amended from time to time by the Directors.

2.03 Principal Place of Business. The principal place of business of the Company within the State of Arkansas shall be at Siloam Springs, Arkansas. The Company may locate its places of business and registered office at any other place or places as the Directors may from time to time deem advisable.

2.04 Registered Office and Registered Agent. The registered agent for service of process and the registered office shall be that Person and location reflected in the Certificate as filed in the office of the Secretary of State. The Board of Directors may, from time to time, change the registered agent or office through appropriate filings with the Secretary of State. In the event the registered agent ceases to act as such for any reason or the registered office shall change, the Board of Directors shall promptly designate a replacement registered agent or file a notice of change of address as the case may be.

2.05 Term. The term of the Company shall begin with the date of filing of the Certificate with the Secretary of State of the State of Arkansas, and shall continue perpetually, unless the Company is earlier terminated in accordance with either the provisions of this Agreement or the Act

## ARTICLE III

### BUSINESS OF COMPANY

3.01 Permitted Businesses. The business of the Company shall be:

(a) To engage in any lawful act or activity for which limited liability companies may be organized under the Act, including without limitation, the conduct of a commercial shell egg business.

(b) To exercise all other powers necessary to or reasonably connected with the Company's business which may be legally exercised by limited liability companies under the Act.

(c) To engage in all activities necessary, customary, convenient, or incident to any of the foregoing.

## ARTICLE IV

### BOARD OF DIRECTORS

4.01 General Powers. Except as may otherwise be provided by law, by the Certificate or by this Agreement, the property, affairs and business of the Company shall be managed by or under the direction of the Board of Directors, and the Board of Directors may exercise all the powers of the Company.

4.02 Number and Term of Office. The number of Directors may be modified from time to

time by resolution of the Board of Directors, but in no event shall the number of Directors be less than three. The initial number of Directors constituting the Board of Directors shall be three. In addition to the Designated Directors, the General Manager shall be a non voting participant in all actions or meetings of the Directors. Each Director (whenever elected) shall hold office until his successor has been duly elected and qualified, or until his earlier death, resignation or removal. Each member shall be represented on the Board by Two Directors.

4.03 Election of Directors. Except as set forth in the Certificate and as otherwise provided in Sections 4.12 and 4.13 of this Agreement, the Directors shall be designated by the Members at each annual meeting of the Members. If the annual meeting for the election of Directors is not held on the date designated therefor, the Directors shall cause the meeting to be held as soon thereafter as convenient but in no event longer than 60 days following the designated date or, if no such date is designated for the applicable year, no longer than 60 days following the anniversary of the last annual meeting date. Cal-Maine Foods, Inc. shall designate two Directors and PW3 Holdings, LLC shall designate one director. If the number of Directors is increased to more than three, Cal-Maine Foods, Inc. and PW3 Holdings, LLC shall designate Directors in the same proportion as above provided in this paragraph 4.03.

4.04 Annual and Regular Meetings. The annual meeting of the Board of Directors for the purpose of electing officers and for the transaction of such other business as may come before the meeting shall be held as soon as possible following adjournment of the annual meeting of the Members at the place of such annual meeting of the Members. Notice of such annual meeting of the Board of Directors need not be given. The Board of Directors from time to time may by resolution provide for the holding of regular meetings and fix the place (which may be within or without the State of Arkansas) and the date and hour of such meetings. Notice of regular meetings need not be given, provided, however, that if the Board of Directors shall fix or change the time or place of any regular meeting, notice of such action shall be mailed promptly, or sent by telegram, facsimile or cable, to each Director who shall not have been present at the meeting at which such action was taken, addressed to him at his usual place of business, or shall be delivered to him personally. Notice of such action need not be given to any Director who attends the first regular meeting after such action is taken without protesting the lack of notice to him, prior to or at the commencement of such meeting, or to any Director who submits a signed waiver of notice, whether before or after such meeting. If any Director is expected to be absent from any meeting of Directors, the Member designating the absent Director shall designate a substitute for such meeting.

4.05 Special Meetings; Notice. Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board or by any Member's designated Director, at such place (within or without the State of Arkansas), date and hour as may be specified in the respective notices or waivers of notice of such meetings. Special meetings of the Board of Directors may be called on 24 hours' notice, if notice is given to each Director personally or by telephone or facsimile, or on five days' notice, if notice is mailed to each Director, addressed to him at his usual place of business. Notice of any special meeting need not be given to any Director who attends such meeting without protesting the lack of notice to him, prior to or at the commencement of such meeting, or to any Director who submits a signed waiver of notice, whether before or after such meeting, and any business may be transacted thereat. Substitute Directors may be appointed for an absent Director in the same manner as provided in paragraph 4.04.

4.06 Quorum; Voting. At all meetings of the Board of Directors, the presence of Directors representing a majority of the duly elected Directors then on the Board of Directors shall constitute a quorum for the transaction of business. Except as otherwise required by law or the Certificate, a vote of two Directors shall be required for any act of the Board of Directors.

4.07 Adjournment. By majority vote of the Directors present, whether or not a quorum is



present, such Directors may adjourn any meeting of the Board of Directors to another time or place. No notice need be given of any adjourned meeting unless the time and place of the adjourned meeting are not announced at the time of adjournment, in which case notice conforming to the requirements of Section 4.05 shall be given to each Director.

4.08 Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all of the Board of Directors consent thereto in writing, and such writing or writings are filed with the minutes of proceedings of the Board of Directors.

4.09 Regulations; Manner of Acting. To the extent consistent with applicable law, the Certificate and this Agreement, the Board of Directors may adopt such rules and regulations for the conduct of meetings of the Board of Directors and for the management of the property, affairs and business of the Company as the Board of Directors may deem appropriate. The Directors shall act only as a Board, and the individual Directors shall have no power as such.

4.10 Action by Telephonic Communications. Members of the Board of Directors may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

4.11 Resignation. Any Director may resign at any time by delivering a written notice of resignation, signed by such Director, to the Chairman of the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery.

4.12 Removal of Directors. Except as set forth in the Certificate, any Director may be removed at any time, either for or without cause by the Member that designated such Director. Any vacancy in the Board of Directors caused by any such removal may be filled at such meeting by the Members entitled to designate of the Director so removed. If such Members do not fill such vacancy at such meeting (or in the written instrument effecting such removal, if such removal was effected by consent without a meeting), such vacancy may be filled in the manner provided in Section 4.13 of this Agreement.

4.13 Vacancies and Newly Created Director Positions. Except as set forth in the Certificate, if any vacancies shall occur in the Board of Directors, by reason of death, resignation, removal or otherwise, or if the authorized number of Directors shall be increased, the Directors then in office shall continue to act, and such vacancies and newly created Director positions may be filled by the designation of one or more Directors by the Member or Members whose designated Director's position is to be filled. A Director elected to fill a vacancy or a newly created Director position shall hold office until his successor has been elected and qualified or until his earlier death, resignation or removal.

4.14 Compensation. The amount, if any, which each Director shall be entitled to receive as compensation for his services as such shall be fixed from time to time by resolution of the Board of Directors.

4.15 Reliance on Accounts and Reports, etc. A member of the Board of Directors, or a member of any Committee designated by the Board of Directors, shall, in the performance of his duties, be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any of the Company's officers or employees, or Committees of the Board of Directors, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected



with reasonable care by or on behalf of the Company, including without limitation independent certified public accountants and appraisers.

## ARTICLE V

### EXECUTIVE COMMITTEE AND OTHER COMMITTEES

5.01 How Constituted. The Board of Directors may designate one or more Committees, including an Executive Committee, each such Committee to consist of such number of Directors as from time to time may be fixed by the Board of Directors. The Board of Directors may designate one or more Directors as alternate members of any such Committee, who may replace any absent or disqualified member or members at any meeting of such Committee. In addition, unless the Board of Directors has so designated an alternate member of such Committee, in the absence or disqualification of a member of such Committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Thereafter, members (and alternate members, if any) of each such Committee may be designated at the annual meeting of the Board of Directors. Any such Committee may be abolished or redesignated from time to time by the Board of Directors. Each member (and each alternate member) of any such Committee (whether designated at an annual meeting of the Board of Directors or to fill a vacancy or otherwise) shall hold office until his successor shall have been designated or until he shall cease to be a Director, or until his earlier death, resignation or removal.

5.02 Powers. Each Committee shall have and may exercise such powers of the Board of Directors as may be provided by resolution of the Board, provided, that neither the Executive Committee nor any such other Committee shall have the power or authority to:

- (i) approve or adopt, or recommend to the Members, any action or matter expressly required by the Act to be submitted to Members for approval,
- (ii) adopt, amend or repeal any of this Agreement;
- (iii) authorize distributions;
- (iv) fill vacancies on the Board of Directors;
- (v) approve a plan of merger not requiring Member approval;
- (vi) authorize or approve reacquisition of Membership Units except according to a formula or method prescribed by the Board of Directors; or
- (vii) authorize or approve the issuance or sale or contract for sale of units, or determine the designation or relative rights, preferences and limitations of a class or series of units, except that the Board of Directors may authorize a committee (or a senior executive officer of the Company) to do so within limits specifically prescribed by the Board of Directors.

5.03 Quorum; Voting. Except as may be otherwise provided in the resolution creating such Committee, at all meetings of any Committee the presence of members (or alternate members) constituting a majority of the total authorized membership of such Committee shall constitute a quorum for the

transaction of business. The act of a majority of the members present at any meeting at which a quorum is present shall be the act of such Committee.

5.04 Action without a Meeting. Any action required or permitted to be taken at any meeting of any such Committee may be taken without a meeting, if all members of such Committee shall consent to such action in writing and such writing or writings are filed with the minutes of the proceedings of the Committee.

5.05 Regulations; Manner of Acting. Each such Committee may fix its own rules of procedure and may meet at such place (within or without the State of Arkansas), at such time and upon such notice, if any, as it shall determine from time to time. Each such Committee shall keep minutes of its proceedings and shall report such proceedings to the Board of Directors at the meeting of the Board of Directors next following any such proceeding. The members of any such Committee shall act only as a Committee, and the individual members of such Committee shall have no power as such.

5.06 Action by Telephonic Communications. Members of any Committee designated by the Board of Directors may participate in a meeting of such Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

5.07 Resignation. Any member (and any alternate member) of any Committee may resign at any time by delivering a written notice of resignation, signed by such member, to the Chairman of the Board or the Chief Operating Officer. Unless otherwise specified therein, such resignation shall take effect upon delivery.

5.08 Removal. Any member (any alternate member) of any Committee may be removed at any time, with or without cause, by resolution adopted by the Board of Directors.

5.09 Vacancies. If any vacancy shall occur in any Committee, by reason of death, resignation, removal or otherwise, the remaining members (and any alternate members) shall continue to act, and any such vacancy may be filled by the Board of Directors or the remaining members of the Committee as provided in Section 5.01 hereof.

## ARTICLE VI

### OFFICERS

6.01 Authority. The Board of Directors shall have the power and authority to delegate to one or more other persons powers to manage or control the business and affairs of the Company, including without limitation the power to delegate to agents and employees of the Company or to delegate by agreement to other persons. By accepting their election to the Board of Directors, each of the Directors shall be deemed to have delegated various powers and authority to the officers of the Company as set forth herein and to such other officers as they may elect or appoint (or as appointed by other officers pursuant to delegated authority to do so).

6.02 Titles. The officers of the Company shall be chosen by the Board of Directors and shall be a Chief Operating Officer and any other officers the Board of Directors elect as described below. The Board of Directors shall also elect a Chairman from among its members. Any number of offices may be held by the same person. No officer need be a Director of the Company.

6.03 Election. Unless otherwise determined by the Board of Directors, the officers of the Company shall be elected by the Board of Directors at the annual meeting of the Board of Directors, and shall be elected to hold office until the next succeeding annual meeting of the Board of Directors. In the event of the failure to elect officers at such annual meeting, officers may be elected at any regular or special meeting of the Board of Directors. Each officer shall hold office until his successor has been elected and qualified, or until his earlier death, resignation or removal.

6.04 Compensation. The compensation of all officers of the Company, if any, shall be fixed by the Board of Directors.

6.05 Removal and Resignation: Vacancies. Any officer may be removed with or without cause at any time by the Board of Directors. Any officer may resign at any time by delivering a written notice of resignation, signed by such officer, to the Board of Directors. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any vacancy occurring in any office of the Company by death, resignation, removal or otherwise, shall be filled by the Board of Directors.

6.06 Authority and Duties. The officers of the Company shall have such authority and shall exercise such powers and perform such duties as may be specified in this Agreement, except that in any event each officer shall exercise such powers and perform such duties as may be required by law.

6.07 The Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Members and Directors. He shall also perform all duties and exercise all powers usually pertaining to the office of a Chairman of the Board of a corporation. The Chairman of the Board shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

6.08 The General Manager. Subject to the direction of the Board of Directors, the General Manager shall perform all duties and exercise all powers usually pertaining to the office of a President of a corporation. The General Manager shall have general supervision and management of the business and policy of the Company. He shall have the authority to sign, in the name and on behalf of the Company, checks, orders, contracts, leases, notes, drafts and other documents and instruments in connection with the business of the Company and conveyances of real estate and other documents and instruments to which the seal of the Company is affixed. He shall have the authority to cause the employment or appointment of such employees and agents of the Company as the conduct of the business of the Company may require, to fix their compensation, and to remove or suspend any employee or agent elected or appointed by the Board of Directors. The General Manager shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

6.09 Additional Officers. The Board of Directors may appoint or elect such other officers and agents as it may deem appropriate, and such other officers and agents shall hold their offices for such terms and shall exercise such powers and perform such duties as may be determined from time to time by the Board of Directors. The Board of Directors from time to time may delegate to any officer or agent the power to appoint subordinate officers or agents and to prescribe their respective rights, terms of office, authorities and duties. Any such officer or agent may remove any such subordinate officer or agent appointed by him, with or without cause.

6.10 Notice of Employment and Removal of Officers. Absent a written agreement signed by a duly authorized officer of the Company to the contrary, all employment with the Company, including any employment of officers, is "at will." Election to an office does not itself constitute an employment agreement with the Company and does not change the nature of any employment. The employment of officers, like that of all other employees and/or services of officers, may be terminated at any time, with or without cause, and without further obligation.

6.11 Security. The Board of Directors may direct that the Company secure the fidelity of any or all of its officers or agents by bond or otherwise.

## ARTICLE VII

### MEMBERS

7.01 Names and Addresses of Members. The names and addresses of the Members as of the Effective Date and the number of Units they own are as set forth on Exhibit A of this Agreement. Additional Members may be added subsequent to the Effective Date only in accordance with the terms and conditions of this Agreement.

7.02 Limitation of Liability. Each Member's liability shall be limited as set forth in this Agreement, the Act and other applicable law unless otherwise agreed in writing by a Member.

7.03 Company Debt Liability. Unless otherwise agreed in writing by a Member, a Member will not be liable for any debts or losses of the Company beyond his respective Capital Contributions and any obligation of the Member under Section 9.01 or 9.02 to make Capital Contributions, except as provided herein by separate written agreement or instrument, or as otherwise required by law.

#### 7.04 Sale of Assets; Mergers, Consolidations.

(a) As a condition to any merger or consolidation of the Company or the sale, lease or exchange of substantially all of the Company's property and assets, the Board of Directors of the Company shall first adopt a resolution approving the proposed transaction and declaring its advisability. Further, the above transaction shall be submitted to the Members at an annual or special meeting for the purpose of acting on the transaction. Due notice of the time, place and purpose of the meeting together with a copy of the agreement relating to such merger or consolidation or such sale, lease or exchange of substantially all of the Company's assets, shall be mailed to each Member or Economic Interest Owner, whether voting or non-voting, at the Member's or Economic Interest Owner's address as it appears on the records of the Company at least five (5) days prior to the date of the meeting. At the meeting, the transaction shall be considered and a vote taken for its approval or rejection. The transaction must be approved by the majority of the Units then outstanding.

(b) Notwithstanding the requirements of subsection (a) of this section, unless required by the Certificate, no vote of Members shall be necessary to approve a merger if (i) the Company survives the merger, (ii) the agreement of merger does not amend in any respect, this Agreement, (iii) each Unit of Membership Interest of the Company outstanding immediately prior to the effective date of the merger is to be an identical outstanding or treasury Unit of the surviving entity after the effective date of the merger, and (iv) either no Membership Interest and no equity interest are to be issued or delivered under the plan of merger, or the authorized unissued units or the treasury Units of the Company to be issued or delivered under the plan of merger plus those initially issuable upon conversion of any equity interest to be issued or delivered under such plan shall not exceed twenty percent (20%) of the Units of the Company immediately prior to the effective date of the merger.

7.05 Priority and Return of Capital. Except as may be expressly provided in or pursuant to this Agreement, no Member or Economic Interest Owner shall have priority over any other Member or Economic Interest Owner, either as to the return of Capital Contributions or as to Net Profits, Net Losses or distributions; provided that this Section shall not apply to loans (as distinguished from Capital Contributions) which a Member has made to the Company.

7.06 Annual Meeting. The annual meeting of the Members of the Company for the election of Directors and for the transaction of such other business as may properly come before such meeting shall be held at such place, either within or without the State of Arkansas, at 9:00 A.M. on the second Tuesday of each September of each year (or, if such day is a legal holiday, then on the next succeeding business day), or at such other date and hour, as may be fixed from time to time by resolution of the Board of Directors and set forth in the notice or waiver of notice of the meeting.

7.07 Special Meetings. Special meetings of the Members may be called at any time by the Chairman of the Board or by the Board of Directors. A special meeting shall be called by the Chairman of the Board, immediately upon receipt of a written request therefor by Members holding in the aggregate not less than 50% of the outstanding Units of the Company at the time entitled to vote at any meeting of the Members. If such officers or the Board of Directors shall fail to call such meeting within 20 days after receipt of such request, any Member executing such request may call such meeting. Any such special meeting of the Members shall be held at such place, within or without the State of Arkansas, as shall be specified in the notice or waiver of notice thereof.

7.08 Notice of Meetings; Waiver. The Chief Operating Officer shall cause written notice of the place, date and hour of each meeting of the Members, and, in the case of a special meeting, the purpose or purposes for which such meeting is called, to be given personally or by mail, not less than ten nor more than 60 days before the date of the meeting, to each Member of record entitled to vote at such meeting. If such notice is mailed, it shall be deemed to have been given to a Member when deposited in the United States mail, postage prepaid, directed to the Member at his address as it appears on the record of Members of the Company, or, if he shall have filed with the Chief Operating Officer a written request that notices to him be mailed to some other address, then directed to him at such other address. Such further notice shall be given as may be required by law.

Whenever notice is required to be given to Members hereunder, a written waiver, signed by a Member, whether before or after the time stated therein, shall be deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Members need be specified in a written waiver of notice. The attendance of any Member at a meeting of Members shall constitute a waiver of notice of such meeting, except when the Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened.

7.09 Quorum. Except as otherwise required by law, this Agreement or by the Certificate, the presence in person or by proxy of the holders of record of a majority of the Units of Membership Interests entitled to vote at a meeting of Members shall constitute a quorum for the transaction of business at such meeting.

7.10 Voting. Except as set forth in this Agreement, if, pursuant to Section 8.05 of this Agreement, a record date has been fixed, every holder of record of Units of Membership Interests entitled to vote at a meeting of Members shall be entitled to one vote for each Unit of Membership Interest outstanding in his name on the books of the Company at the close of business on such record date. If no record date has been fixed, then every holder of record of Units of Membership Interests entitled to vote at a meeting of Members shall be entitled to one vote for each Unit standing in his name on the books of the Company at the close of business on the day next preceding the day on which notice of the meeting is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. Except as otherwise required by law, this Agreement, or by the Certificate, the vote of a majority of the Units of Membership Interests represented in person or by proxy at any meeting at which a quorum is present shall be sufficient for the transaction of any business at such meeting.

7.11 Voting by Ballot. No vote of the Members need be taken by written ballot or conducted



by inspectors of election, unless otherwise required by law. Any vote which need not be taken by ballot may be conducted in any manner approved by the meeting.

7.12 Adjournment. If a quorum is not present at any meeting of the Members, the Members present in person or by proxy shall have the power to adjourn any such meeting from time to time until a quorum is present. Notice of any adjourned meeting of the Members of the Company need not be given if the place, date and hour thereof are announced at the meeting at which the adjournment is taken, provided, however, that if the adjournment is for more than 30 days, or if after the adjournment a new record date for the adjourned meeting is fixed pursuant to Section 8.05 of this Agreement, a notice of the adjourned meeting, conforming to the requirements of Section 7.08 hereof, shall be given to each Member of record entitled to vote at such meeting. At any adjourned meeting at which a quorum is present, any business may be transacted that might have been transacted on the original date of the meeting.

7.13 Proxies. Any Member entitled to vote at any meeting of the Members or to express consent to or dissent from corporate action without a meeting may, by a written instrument signed by such Member or his attorney-in-fact, authorize another person or persons to vote at any such meeting and express such consent or dissent for him by proxy. No such proxy shall be voted or acted upon after the expiration of three years from the date of such proxy, unless such proxy provides for a longer period. Every proxy shall be revocable at the pleasure of the Member executing it, except in those cases where applicable law provides that a proxy shall be irrevocable. A Member may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by filing another duly executed proxy bearing a later date with the Chief Operating Officer .

7.14 Organization; Procedure. At every meeting of Members the presiding officer shall be the Chairman of the Board or, in the event of his absence or disability, the Chief Operating Officer or, in the event of his absence or disability, a presiding officer chosen by a majority of the Members present in person or by proxy. The Chief Operating Officer or an appointee of the presiding officer shall act as secretary of the meeting. The order of business and all other matters of procedure at every meeting of Members may be determined by such presiding officer.

7.15 Consent of Members in Lieu of Meeting. Whenever the vote of the Members at a meeting thereof is required or permitted to be taken for or in connection with any action, such action may be taken without a meeting, without prior notice and without a vote of Members, if the holders of outstanding Units of voting Membership Interests having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Units of Membership Interests entitled to vote thereon were present and voted shall consent in writing to such corporate action being taken. Prompt notice of the taking of such action without a meeting by less than unanimous written consent shall be given to those Members who have not so consented in writing.

7.16 Telephonic Meetings Permitted. The Members may permit any or all Members to participate in an annual, regular or special meeting by, or conduct such meeting through the use of, any means of communication by which all Members participating may simultaneously hear each other during the meeting. A Member participating in a meeting by this means is deemed to be present in person at the meeting.

## ARTICLE VIII

MEMBERSHIP INTEREST

8.01 Certificates of Units, Uncertificated Units. The Membership Interests of the Company shall be represented by certificates of Units of Membership, provided that the Board of Directors may provide by resolution that some or all of any or all classes or series of Membership Interests of the Company shall be uncertificated units. Any such resolution shall not apply to Units represented by a certificate until each certificate is surrendered to the Company. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of Units of Membership Interests or Economic Interests in the Company represented by certificates and upon request every holder of uncertificated units of Membership Interests or Economic Interests shall be entitled to have a certificate signed by, or in the name of the Company, by the Chairman of the Board, or Chief Operating Officer, representing the number of Units of Membership Interests or Economic Interests registered in certificate form. Such certificate shall be in such form as the Board of Directors may determine, to the extent consistent with applicable law, the Certificate and this Agreement.

8.02 Signatures; Facsimile. All of such signatures on the certificate may be a facsimile, engraved or printed, to the extent permitted by law. In case any officer, transfer agent or registrar who has signed, or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Company with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

8.03 Lost, Stolen or Destroyed Certificates. The Chief Operating Officer of the Company may cause a new certificate of Units of Membership Interests or Economic Interests or uncertificated Units of Membership Interests or Economic Interests to be issued in place of any certificate therefor issued by the Company, alleged to have been lost, stolen or destroyed, upon delivery to the Chief Operating Officer of an affidavit of the owner or owners of such certificate, or his or their legal representative setting forth such allegation. The Chief Operating Officer may require the owner or owners of such lost, stolen or destroyed certificate, or his or their legal representative, to give the Company a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of any such new certificate or uncertificated Units.

8.04 Transfer of Units. Upon surrender to the Company or the transfer agent of the Company of a certificate for Units of Membership Interests or Economic Interests, duly endorsed or accompanied by appropriate evidence of succession, assignment or authority to transfer, the Company shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books. Within a reasonable time after the transfer of uncertificated units of Membership Interests or Economic Interests, the Company shall send to the registered owner thereof a written notice containing the information normally required to be set forth or stated on certificates. Subject to the provisions of the Certificate and this Agreement, the Board of Directors may prescribe such additional rules and regulations as it may deem appropriate relating to the issue, transfer and registration of units of Membership Interests or Economic Interests of the Company.

8.05 Record Date. In order to determine the Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of Units of Membership Interests or Economic Interests or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than 60 nor less than ten days before the date of such meeting, nor more than 60 days prior to any other action. A



determination of Members of record entitled to notice of or to vote at a meeting of Members shall apply to any adjournment of the meeting, provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

**8.06 Registered Members.** Prior to due surrender of a certificate for registration of transfer, the Company may treat the registered owner as the person exclusively entitled to receive dividends and other distributions, to vote, to receive notice and otherwise to exercise all the rights and powers of the owner of the units of Membership Interests or Economic Interests represented by such certificate, and the Company shall not be bound to recognize any equitable or legal claim to or interest in such Units of Membership Interests or Economic Interests on the part of any other person, whether or not the Company shall have notice of such claim or interest. Whenever any transfer of Units of Membership Interests or Economic Interests shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the certificates are presented to the Company for transfer or uncertificated units of Membership Interests or Economic Interests are requested to be transferred, both the transferor and transferee request the Company to do so.

**8.07 Transfer Agent and Registrar.** The Board of Directors may appoint one or more transfer agents and registrars, and may require all certificates representing units of Membership Interests or Economic Interests to bear the signature of any such transfer agents or registrars.

**8.08 Restrictive Endorsements.** Each certificate representing Units of Membership Interests or Economic Interests now or hereafter held by a Member or Economic Interest Owner or delivered in substitution or exchange for any of the foregoing certificates shall be stamped with legends in substantially the following form:

(a) "The units represented by this Certificate are subject to an Operating Agreement dated as of April 28, 2007, a copy of which is on file at the offices of the Company and will be furnished by the Company to the holder hereof upon written request. Such Operating Agreement provides, among other things, for the granting of certain restrictions on the sale, transfer, pledge, hypothecation or other disposition of the Units represented by this Certificate. By acceptance of this Certificate, each holder hereof agrees to be bound by the provisions of such Operating Agreement. The Company reserves the rights to refuse to transfer the Units represented by this Certificate unless and until the conditions to transfer set forth in such Operating Agreement have been fulfilled"; and

(b) "The securities represented by this Certificate have been acquired for investment and have not been registered under the Securities Act of 1933, as amended (the "33 Act"), or under any state securities or 'Blue Sky' laws. Said securities may not be sold, transferred, assigned, pledged, hypothecated or otherwise disposed of, unless and until registered under the Act and the rules and regulations thereunder and all applicable state securities or 'Blue Sky' laws or exempted therefrom under the Act and all applicable state securities or 'Blue Sky' laws."

Each Member and Economic Interest Owner agrees that he, she or it will deliver all certificates for Units of Membership Interests or Economic Interests owned by him, her or it to the Company for the purpose of affixing such legends thereto.

## ARTICLE IX

### CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

9.01 Members' Capital Contributions. Each existing Member has made such Capital Contributions for such number of Units as are set forth on Exhibit A attached hereto.

9.02 Additional Contributions.

(a) The Members acknowledge that the income produced by the operations of the Company may be insufficient to pay all of the Company's costs of operations, including within the meaning of the term "costs of operations" (and without limiting the generality of said term) all real estate taxes, assessments and other governmental charges, insurance premiums, costs of repair and maintenance, costs of improvements and the principal and interest payments or similar costs of operation. If, as determined by the Board of Directors, additional funds are required to pay the costs of operations such additional funds shall be advanced to the Company by the Members (and any assignee/transferee of a Company interest who has not been admitted as a Member) in proportion to the ownership interest each Member (or assignee/transferee) then holds in the Company. Such additional funds advanced to the Company shall be treated as additional capital contributions.

(b) In the event any Member is unable to make an additional capital contribution as provided in (a) above, the other Member shall have the right to make such additional contribution in which event the Units owned by the Members will be reduced for the non-contributing Member and increased for the contributing Member in proportion to the amount defaulted or contributed.

(c) In the event the Debt to Total Capitalization ratio exceeds .85 to 1, an additional contribution to capital shall be required in an amount determined by the Board of Directors.

9.03 Capital Accounts.

(a) A separate Capital Account will be maintained for each Member. Each Member's Capital Account will be increased by (1) the amount of money contributed by such Member to the Company; (2) the fair market value of property or services contributed by such Member to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Section 752 of the Code); (3) allocations to such Member of Net Profits and Net Losses; and (4) allocations to such Member of income described in Section 705(a)(1)(B) of the Code. Each Member's Capital Account will be decreased by (1) the amount of money distributed to such Member by the Company; (2) the fair market value of property distributed to such Member by the Company (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under Section 752 of the Code); (3) allocations to such Member of expenditures described in Section 705(a)(2)(B) of the Code; and (4) allocations to the account of such Member of Company loss and deduction as set forth in such Regulations, taking into account adjustments to reflect book value.

(b) If a permitted sale or exchange of a Membership Interest or an Economic Interest in the Company occurs, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest or Economic Interest in accordance with Section 1.704-1(b)(2)(iv) of the Treasury Regulations.

(c) The manner in which Capital Accounts are to be maintained pursuant to this Section 9.03 is intended to comply with the requirements of Section 704(b) of the Code and the Treasury

Regulations promulgated thereunder. If in the opinion of the Company's accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this Section 9.03 should be modified in order to comply with Section 704(b) of the Code and the Treasury Regulations thereunder, then notwithstanding anything to the contrary contained in the preceding provisions of this Section 9.03, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members.

(d) Upon liquidation of the Company (or any Member's Membership Interest or Economic Interest Owner's Economic Interest), liquidating distributions will be made pro rata in accordance with the number of Common Units of the Members and Economic Interest Owners. Liquidation proceeds will be paid within sixty (60) days of the end of the taxable year of liquidation (or, if later, within one hundred twenty (120) days after the date of the liquidation.) The Company may offset damages for breach of this Agreement by a Member or Economic Interest Owner whose interest is liquidated (either upon the withdrawal of the Member or the liquidation of the Company) against the amount otherwise distributable to such Member.

9.04 Withdrawal or Reduction of Members' Contributions to Capital. A Member shall not receive out of the Company's property any part of its Capital Contribution until all liabilities of the Company, except liabilities to Members on account of their Capital Contributions, have been paid or there remains property of the Company sufficient to pay them.

## ARTICLE X

### RIGHT TO PURCHASE OR SELL

10.01 For a period of three years from the date hereof PW3 Holdings, LLC shall have the right to purchase from Cal-Maine Foods, Inc. as herein provided, a total number of Units which would bring the total percentage of Units owned by PW3 Holdings, LLC up to 25% of such Units outstanding. Such right to purchase may be exercised at the end of each of the first three fiscal years of the Company with a minimum purchase of 5% per exercise. The price to be paid to purchase such additional Units shall be the Book Value thereof as of the end of such fiscal year.

Notice of exercise of such purchase shall be given to Cal-Maine 30 days before the end of such fiscal year and the Purchase Price shall be paid in full in cash within 30 days of the end of such fiscal year.

10.02 Anything herein to the contrary notwithstanding, no Member may sell, transfer, gift or assign any of such Members Membership Interests in the Company until such interests are offered to the other Members in proportion to the non selling Members ownership interest.

10.03 Notice of intent to sell shall be in writing given by the Selling Member to the Non-Selling Members at least 60 days before the potential transfer and shall include all details of the intended transfer, including price and the proposed transferee's agreement to such price and evidence of such transferee's ability to pay.

10.04 The Non Selling Member shall have a period of 60 days following receipt of a Notice of Sale within which to accept or reject the proposed transfer. Acceptances or rejections shall be in writing delivered to the Selling Member.

10.05 The Purchase Price for any sale under Sections 10.02 thru 10.05 hereof shall be paid in cash and the closing shall occur within 30 days of delivery of the Purchasing Member's acceptance.

## ARTICLE XI

### ALLOCATIONS, INCOME TAX, DISTRIBUTIONS, ELECTIONS AND REPORTS

11.01 Allocations of Profits and Losses from Operations. The Net Profits and Net Losses of the Company for each fiscal year will be allocated pro rata in accordance with the number of Units owned by each Member or Economic Interest Owner.

11.02 Special Allocations to Capital Accounts.

(a) No allocations of loss, deduction and/or expenditures described in Section 705(a)(2)(B) of the Code shall be charged to the Capital Accounts of any Member if such allocation would cause such Member to have a Deficit Capital Account. The amount of the loss, deduction and/or Code Section 705(a)(2)(B) expenditure which would have caused a Member to have a Deficit Capital Account shall instead be charged to the Capital Accounts of any Members which would not have a Deficit Capital Account as a result of the allocation, in proportion to their respective Capital Contributions, or, if no such Members exist, then to the Members in accordance with their interests in Company profits pursuant to Section 10.01.

(b) If any Member unexpectedly receives any adjustments, allocations, or distributions described in Sections 1.704-1(b)(2)(ii)(d)(4),(5), or (6) of the Treasury Regulations, which create or increase a Deficit Capital Account of such Member, then items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year and, if necessary, for subsequent years) shall be specially credited to the Capital Account of such Member in an amount and manner sufficient to eliminate (to the extent required by the Treasury Regulations) the Deficit Capital Account so created as quickly as possible. This Section 10.02(b) is intended to be interpreted to comply with the alternate test for economic effect set forth in Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations.

(c) If any Member would have a Deficit Capital Account at the end of any Company taxable year which is in excess of the sum of any amount that such Member is obligated to restore to the Company under Treasury Regulations Section 1.704-1(b)(2)(ii)(c) and such Member's unit of minimum gain as defined in Section 1.704-2(g)(1) of the Treasury Regulations (which is also treated as an obligation to restore in accordance with Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations), the Capital Account of such Member shall be specially credited with items of Company income (including gross income) and gain in the amount of such excess as quickly as possible.

(d) Notwithstanding any other provision of this Section 10.02, if there is a net decrease in the Company's minimum gain (as defined in Treasury Regulation Section 1.704-2(d)) during a taxable year of the Company, then, the Capital Accounts of each Member shall be allocated items of income (including gross income) and gain for such year (and if necessary for subsequent years) equal to that Member's unit of the net decrease in the Company's minimum gain. This Section 10.02(d) is intended to comply with the minimum gain chargeback requirement of Section 1.704-2 of the Treasury Regulations and shall be interpreted consistently therewith. If in any taxable year that the Company has a net decrease in the Company's minimum gain, the minimum gain chargeback requirement would cause a distortion in the economic arrangement among the Members and it is not expected that the Company will have sufficient other income to correct that distortion, the Members may in their discretion (and shall, if requested to do so by a Member) seek to have the Internal Revenue Service waive the minimum gain chargeback requirement in accordance with Treasury Regulation Section 1.704-2(f)(4).

(e) Items of Company loss, deduction and expenditures described in Section 705(a)(2)(B) of the Code which are attributable to any nonrecourse debt of the Company and are characterized as Member nonrecourse deductions under Section 1.704-2(i) of the Treasury Regulations shall be allocated to the Members' Capital Accounts in accordance with said Section 1.704-2(i) of the Treasury Regulations.

(f) Beginning in the first taxable year in which there are allocations of "nonrecourse deductions" (as described in Section 1.704-2(b) of the Treasury Regulations) such deductions shall be allocated to the Members in accordance with, and as a part of, the allocations of Company profit or loss for such period.

(g) In accordance with Section 704(c)(1)(A) of the Code and Section 1.704-1(b)(2)(i)(iv) of the Treasury Regulations, if a Member contributes property with a fair market value that differs from its adjusted basis at the time of contribution, income, gain, loss and deductions with respect to the property shall, solely for federal income tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company and its fair market value at the time of contribution.

(h) Pursuant to Section 704(c)(1)(B) of the Code, if any contributed property is distributed by the Company other than to the contributing Member within five (5) years of being contributed, then, except as provided in Section 704(c)(2) of the Code, the contributing Member shall be treated as recognizing gain or loss from the sale of such property in an amount equal to the gain or loss that would have been allocated to such Member under Section 704(c)(1)(A) of the Code if the property had been sold at its fair market value at the time of the distribution.

(i) In the case of any distribution by the Company to a Member or Economic Interest Owner, such Member or Economic Interest Owner shall be treated as recognizing gain in an amount equal to the lesser of:

(i) the excess (if any) of (A) the fair market value of the property (other than money) received in the distribution over (B) the adjusted basis of such Member's Membership Interest or Economic Interest Owner's Economic Interest in the Company immediately before the distribution reduced (but not below zero) by the amount of money received in the distribution, or

(ii) the Net Precontribution Gain (as defined in Section 737(b) of the Code) of the Member or Economic Interest Owner. The Net Precontribution Gain means the net gain (if any) which would have been recognized by the distributee Member or Economic Interest Owner under Section 704(c)(1)(B) of the Code if all property which (A) had been contributed to the Company within five (5) years of the distribution, and (B) is held by the Company immediately before the distribution, had been distributed by the Company to another Member or Economic Interest Owner. If any portion of the property distributed consists of property which had been contributed by the distributee Member or Economic Interest Owner to the Company, then such property shall not be taken into account under this Section 10.02(i) and shall not be taken into account in determining the amount of the Net Precontribution Gain. If the property distributed consists of an interest in an entity, the preceding sentence shall not apply to the extent that the value of such interest is attributable to the property contributed to such entity after such interest had been contributed to the Company.

(j) In connection with a Capital Contribution of money or other property (other than a de minimis amount) by a new or existing Member or Economic Interest Owner as consideration for an Economic Interest or Membership Interest, or in connection with the liquidation of the Company or a



distribution of money or other property (other than a de minimis amount) by the Company to a retiring Member or Economic Interest Owner as consideration for an Economic Interest or Membership Interest, the Capital Accounts of the Members shall be adjusted to reflect a revaluation of Company property (including intangible assets) in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f). If under Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations, Company property that has been revalued is properly reflected in the Capital Accounts and on the books of the Company at a book value that differs from the adjusted tax basis of such property, then depreciation, depletion, amortization and gain or loss with respect to such property shall be united among the Members in a manner that takes account of the variation between the adjusted tax basis of such property and its book value, in the same manner as variations between the adjusted tax basis and fair market value of property contributed to the Company are taken into account in determining the Members' units of tax items under Section 704(c) of the Code.

(k) All recapture of income tax deductions resulting from sale or disposition of Company property shall be allocated to the Member or Members to whom the deduction that gave rise to such recapture was allocated hereunder to the extent that such Member is allocated any gain from the sale or other disposition of such property.

(l) Any credit or charge to the Capital Accounts of the Members pursuant to Section 10.02 (b), (c), and/or (d) hereof shall be taken into account in computing subsequent allocations of profits and losses pursuant to Section 10.01, so that the net amount of any items charged or credited to Capital Accounts pursuant to Sections 10.01 and 10.02 shall to the extent possible, be equal to the net amount that would have been allocated to the Capital Account of each Member pursuant to the provisions of this Article if the special allocations required by Sections 10.02 (b), (c), and/or (d) hereof had not occurred.

#### 11.03 Distributions.

(a) Except as otherwise provided herein, all distributions of cash or other property shall be made to the Members pro rata in proportion to the respective Units of the Members on the record date of such distribution. Except as provided in this Section 10.03 or in Section 10.04, all distributions of Distributable Cash and property shall be made at such time as determined by the Board of Directors. All amounts withheld pursuant to the Code or any provisions of state or local tax law with respect to any payment or distribution to the Members from the Company shall be treated as amounts distributed to the relevant Member or Members pursuant to this Section 10.03.

11.04 Limitation Upon Distributions. No distribution shall be declared and paid if, after giving effect to the distribution, (i) the Company would be unable to pay its debts as they become due, or (ii) the assets of the Company would be less than the sum of its liabilities, except liabilities to Members on account of their contributions plus the amount that would be needed, if the Company were to be dissolved at the time of the distribution, to satisfy the preferential rights of holders of other Membership Interests or Economic Interests upon dissolution which are superior to the rights of the Member receiving the distribution.

11.05 Accounting Principles. The profits and losses of the Company shall be determined in accordance with generally accepted accounting principles applied on a consistent basis.

11.06 Interest On and Return of Capital Contributions. No Member shall be entitled to interest on its Capital Contribution or to return of its Capital Contribution, except as otherwise specifically provided for herein.

11.07 Loans to Company. Nothing in this Agreement shall prevent any Member from making secured or unsecured loans to the Company by agreement with the Company.

11.08 Accounting Period. The Company's accounting period shall be the Company's Fiscal Year.

11.09 Records and Reports. At the expense of the Company, the Company shall maintain records and accounts of all operations and expenditures of the Company. At a minimum the Company shall keep at its principal place of business the following records:

(a) A current list of the full name and last known business, residence, or mailing address of each Member and Economic Interest Owner, both past and present;

(b) A copy of the Certificate of the Company and all amendments thereto, together with executed copies of any powers of attorney pursuant to which any amendment has been executed;

(c) Copies of the Company's federal, state, and local income tax returns and reports, if any, for the three (3) most recent years; and

(d) Copies of the Company's currently effective written Agreement and all amendments thereto, copies of any operating agreements of the Company no longer in effect, copies of any writings permitted or required with respect to a Member's obligation to contribute cash, property or services, and copies of any financial statements of the Company for the three (3) most recent years.

11.10 Returns and Other Elections. The Board of Directors shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Members within a reasonable time after the end of the Company's Fiscal Year. All elections permitted to be made by the Company under federal or state laws shall be made as determined by the Board of Directors.

11.11 Tax Matters Partner. A Member chosen by the Board of Directors shall be designated as the tax matters partner as defined in §6231 of the Code. Such Member shall have such duties, rights and obligations as are assigned to or imposed upon the tax matters partner by or under the Code.

11.12 Distributable Cash. Distributable Cash shall be distributed to the Members on a cumulative basis on a fiscal quarterly basis and paid to the Members within sixty (60) days of the end of each fiscal quarter.

11.13 Distribution Policy. It shall be the policy of the Company to distribute to its Members each year, or in the succeeding year, an amount of cash sufficient to pay the Members' income tax liability resulting from the operations of the Company. The Board of Directors shall have the power to determine when, if, and in what amount to make a tax distribution.

## ARTICLE XII

### TRANSFERABILITY AND OTHER RIGHTS REGARDING TRANSFERS OF UNITS

12.01 General. Except as otherwise specifically approved by the Board of Directors or provided in this Agreement, neither a Member nor an Economic Interest Owner shall have the right to:



(a) sell, assign, pledge, hypothecate, transfer, exchange or otherwise transfer for consideration, (collectively, "sell"),

(b) gift, bequeath or otherwise transfer for no consideration (whether or not by operation of law, except in the case of bankruptcy) all or any part of its Membership Interest or Economic Interest.

### ARTICLE XIII

#### ADDITIONAL MEMBERS

From the date of the formation of the Company, any Person or Entity, after approval of such party or entity by unanimous approval of the Board of Directors, may become a Member in this Company by the issuance by the Company of Membership Interests for such consideration as the Board of Directors shall determine. Each new Member must execute a counterpart or joinder to this Agreement. No new Members shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. The Board of Directors may, at their option, at the time a Member is admitted, close the Company books (as though the Company's tax year had ended) or make pro rata allocations of loss, income and expense deductions to a new Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of Section 706(d) of the Code and the Treasury Regulations promulgated thereunder.

### ARTICLE XIV

#### DISSOLUTION, DISSOCIATION AND TERMINATION

##### 14.01 Dissolution.

(a) The Company shall be dissolved only upon the vote of a majority of the Units of Interest outstanding at the time of voting.

(b) As soon as possible following the occurrence of any of the events specified in this Section 13.01 effecting the dissolution of the Company, the appropriate representative of the Company shall execute a Certificate of Dissolution in such form as shall be prescribed by the Florida Secretary of State and file same with the Arkansas Secretary of State's office.

(c) If a Member who is an individual dies or a court of competent jurisdiction adjudges him to be incompetent to manage his person or his property, the Member's executor, administrator, guardian, conservator, or other legal representative may exercise all of the Member's rights for the purpose of settling his estate or administering his property.

(d) Except as expressly permitted in this Agreement, a Member shall not voluntarily resign or take any other voluntary action which directly causes a Withdrawal Event. Unless otherwise approved by the Board of Directors, a Member who resigns (a "Resigning Member") or whose Membership Interest is otherwise terminated by virtue of a Withdrawal Event, regardless of whether such Withdrawal Event was the result of a voluntary act by such Member, shall not be entitled to receive any distributions to which such Member would not have been entitled had such Member remained a Member. Except as otherwise expressly provided herein, a Resigning Member shall become an Economic Interest Owner. Damages for breach of this Section 13.01(d) shall be monetary damages only (and not specific performance), and such damages may be offset against distributions by the Company to which the Resigning Member would otherwise be entitled.

14.02 Effect of Filing of Dissolving Statement. Upon the filing by the Arkansas Secretary of State of a Certificate of Dissolution, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up and liquidation of its business, but its separate existence shall continue.

14.03 Winding Up, Liquidation and Distribution of Assets.

(a) Upon dissolution, an accounting shall be made by the Company's independent accountants of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The officers or other designee of the Board of Directors shall immediately proceed to wind up the affairs of the Company.

(b) If the Company is dissolved and its affairs are to be wound up, the officers or other designee of the Board of Directors shall:

(i) Sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Board of Directors may determine to distribute any assets to the Members in kind),

(ii) Allocate any profit or loss resulting from such sales to the Members' and Economic Interest Owners' Capital Accounts in accordance with Article X hereof,

(iii) Discharge all liabilities of the Company, including liabilities to Members and Economic Interest Owners who are creditors, to the extent otherwise permitted by law, other than liabilities to Members and Economic Interest Owners for distributions, and establish such Reserves as may be reasonably necessary to provide for contingent liabilities of the Company (for purposes of determining the Capital Accounts of the Members and Economic Interest Owners, the amounts of such Reserves shall be deemed to be an expense of the Company),

(iv) Distribute the remaining assets in the following order:

(A) If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or other reasonable means established by the Board of Directors. Such assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Members and Economic Interest Owners shall be adjusted pursuant to the provisions of Article IX and Section 9.03 of this Agreement to reflect such deemed sale.

(B) The assets of the Company shall be distributed to the Members, either in cash or in kind, as determined by the Board of Directors, with any assets distributed in kind being valued for this purpose at their fair market value as determined pursuant to Section 13.03(b)(i). Distributions shall be done pro rata on the basis of Common Units held by each Member or Economic Interest Owner.

(c) Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations, if any Member has a Deficit Capital Account (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution, and the negative balance of such Member's

Capital Account shall not be considered a debt owed by such Member to the Company or to any other person for any purpose whatsoever.

(d) Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

(e) The Members, the Board of Directors and the officers of the Company shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

14.04 Return of Contribution Nonrecourse to Other Members. Except as provided by law or as expressly provided in this Agreement, upon dissolution, each Member or Economic Interest Owner shall look solely to the assets of the Company for the return of its Capital Contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the cash contribution of one or more Members or Economic Interest Owners, such Member or Members or Economic Interest Owner shall have no recourse against any other Member.

## ARTICLE XV

### INDEMNIFICATION

The Company shall indemnify the Directors and Officers and make advances for expenses to the maximum extent permitted under the Act.

## ARTICLE XVI

### OTHER OPERATIONAL MATTERS

16.01 Books of Account and Records. Proper and complete records and books of account shall be kept or shall be caused to be kept by the officers in which shall be entered fully and accurately all transactions and other matters relating to the Company's business in such detail and completeness as is customary and usual for businesses of the type engaged in by the Company. Such books and records shall be maintained as provided in Section 10.09. The books and records shall at all times be maintained at the principal executive office of the Company and shall be open to the reasonable inspection and examination of the Members, Economic Interest Owners or their duly authorized representatives during reasonable business hours.

16.02 Execution of Instruments. The Board of Directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name and on behalf of the Company. Any such authorization may be general or limited to specific contracts or instruments.

16.03 Company Indebtedness. No loan shall be contracted on behalf of the Company, and no evidence of indebtedness shall be issued in its name, unless authorized by the Board of Directors. Such authorization may be general or confined to specific instances. Loans so authorized may be effected at any time for the Company from any bank, trust company or other institution, or from any firm, corporation or individual. All bonds, debentures, notes and other obligations or evidences of indebtedness of the Company issued for such loans shall be made, executed and delivered as the Board of Directors shall authorize. When so authorized by the Board of Directors, any part of or all the properties,

including contract rights, assets, business or goodwill of the Company, whether then owned or thereafter acquired, may be mortgaged, pledged, hypothecated or conveyed or assigned in trust as security for the payment of such bonds, debentures, notes and other obligations or evidences of indebtedness of the Company, and of any interest thereon, by instruments executed and delivered in the name of the Company.

16.04 Deposits. Any funds of the Company may be deposited from time to time in such banks, trust companies or other depositories as may be determined by the Board of Directors or the Chief Operating Officer, or by such officers or agents as may be authorized by the Board of Directors or the Chief Operating Officer to make such determination.

16.05 Checks. All checks or demands for money and notes of the Company shall be signed by such officer or officers or such agent or agents of the Company, and in such manner, as the Board of Directors or the Chief Operating Officer from time to time may determine.

16.06 Sale, Transfer, etc. of Securities. To the extent authorized by the Board of Directors, the Chief Operating Officer may sell, transfer, endorse, and assign any shares of stock, units, bonds or other securities owned by or held in the name of the Company, and may make, execute and deliver in the name of the Company, under its corporate seal, any instruments that may be appropriate to effect any such sale, transfer, endorsement or assignment.

16.07 Voting as Stockholder. Unless otherwise determined by resolution of the Board of Directors, the Chief Operating Officer shall have full power and authority on behalf of the Company to attend any meeting of stockholders of any corporation in which the Company may hold stock, or any meeting of the owners of any other form of business and to act, vote (or execute proxies to vote) and exercise in person or by proxy all other rights, powers and privileges incident to the ownership of such stock or other ownership interest. Such officers acting on behalf of the Company shall have full power and authority to execute any instrument expressing consent to or dissent from any action of any such corporation or other business entity without a meeting. The Board of Directors may by resolution from time to time confer such power and authority upon any other person or persons.

16.08 Marketing Committee. The Members shall appoint a Marketing Committee which shall consist of four individuals. Cal-Maine shall appoint two voting Members of such Committee, PW3 Holdings, LLC shall appoint one voting Member of the Marketing Committee, and the Manager of the Company shall be the fourth Member who shall have no vote. Such Committee shall oversee the marketing and sales activities of the Company. Members of such Marketing Committee shall serve at the pleasure of their appointing Member. Such Committee shall have such specific powers and duties as may from time to time be established by the Board of Directors of the Company.

16.09 Operating Committee. The Members shall appoint an Operating Committee which shall consist of four individuals. Cal-Maine shall appoint two voting Members of such Committee, PW3 Holdings, LLC shall appoint one voting Member of such Committee, and the Manager of the Company shall be the fourth Member of the Operating Committee who shall have no vote. Such Committee shall oversee the general operations and day to day affairs of the Company. Members of such Committee shall serve at the pleasure of their appointing Member. Such Committee shall have such specific powers and duties as from time to time established by the Board of Directors of the Company.

## ARTICLE XVII

### MISCELLANEOUS PROVISIONS

17.01 Notices. Any notice, demand, or communication required or permitted to be given by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party or to an executive officer of the party to whom the same is directed or, if sent by registered or certified mail, postage and charges prepaid, addressed to the Member's and/or Company's address, as appropriate, which is set forth in this Agreement. Except as otherwise provided herein, any such notice shall be deemed to be given three (3) business days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as aforesaid.

17.02 Application of Law. This Agreement, and the application of interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Arkansas, and specifically the Act.

17.03 Waiver of Action for Partition. Each Member and Economic Interest Owner irrevocably waives during the term of the Company any right that it may have to maintain any action for partition with respect to the property of the Company.

17.04 Amendments. This Agreement may not be amended except by a vote of a majority of the Units entitled to vote following the recommendation of the Board of Directors in favor of the amendment or a decision of the Board of Directors to submit the same to the Members without a recommendation.

17.05 Execution of Additional Instruments. Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

17.06 Construction. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

17.07 Headings; Table of Contents. The headings and table of contents in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provision hereof.

17.08 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

17.09 Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

17.10 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.



17.11 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns.

17.12 No Third Party Beneficiaries. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor or other person to whom any debts, liabilities or obligations are owed by (or who otherwise has any claim against) the Company.

17.13 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

17.14 Books and Records. Except to the extent otherwise required by law, the books and records of the Company shall be kept at the home office of Cal-Maine Foods, Inc.

17.15 Investment Representations. Each Member and Economic Interest Owner, if any, understand (1) that the Membership Interests and Economic Interests evidenced by this Agreement have not been registered under the Securities Act of 1933, or any other state securities law (collectively, the "Securities Acts") because the Company is issuing these Membership Interests and Economic Interests in reliance upon the exemptions from the registration requirements of the Securities Acts providing for issuance of securities not involving a public offering, (2) that the Company has relied upon the fact that the Membership Interests and Economic Interests are to be held by each Member or Economic Interest Owner for investment, and (3) that exemption from registrations under the Securities Acts would not be available if the Membership Interests and Economic Interests were acquired by a Member or Economic Interest Owner with a view to distribution.

Accordingly, each Member and Economic Interest Owner hereby confirms to the Company that such Member and Economic Interest Owner is acquiring the Membership Interests and Economic Interests for such own Member's and Economic Interest Owner's account, for investment and not with a view to the resale or distribution thereof. Each Member and Economic Interest Owner agrees not to transfer, sell or offer for sale any portion of the Membership Interests or Economic Interests unless there is an effective registration or other qualification relating thereto under the Securities Acts or unless the holder of Membership Interests or Economic Interests delivers to the Company an opinion of counsel, satisfactory to the Company, that such registration or other qualification under the Securities Acts and applicable state securities laws is not required in connection with such transfer, offer or sale. Each Member and Economic Interest Owner understands that the Company is under no obligation to register the Membership Interests or Economic Interests or to assist such Member or Economic Interest Owner in complying with any exemption from registration under the Securities Acts if such Member or Economic Interest Owner should, at a later date, wish to dispose of the Membership Interest or Economic Interest. Furthermore, each Member or Economic Interest Owner realizes that the Membership Interests and Economic Interests are unlikely to qualify for disposition under Rule 144 of the Securities and Exchange Commission unless such Member or Economic Interest Owner is not an "affiliate" of the Company and the Membership Interest or Economic Interest has been beneficially owned and fully paid for by such Member or Economic Interest Owner for at least two (2) years.

Prior to acquiring the Membership Interests and Economic Interests, each Member and Economic Interest Owner has made an investigation of the Company and its business and has had available to each such Member and Economic Interest Owner all information with respect thereto which such Member needed to make an informed decision to acquire the Membership Interest or Economic Interest. Each Member and Economic Interest Owner considers himself or itself to be a person possessing experience and sophistication as an investor which are adequate for the evaluation of the merits and risks of such Member's or Economic Interest Owner's investment in the Membership Interest or Economic Interest.

17.16 Binding Arbitration. The Company, Members and Economic Interest Owners agree that any controversy, claim or dispute arising out of or relating to the construction, interpretation, performance, breach, termination, enforceability or validity of this Agreement or this arbitration provision shall be exclusively and finally resolved by arbitration by a single arbitrator in accordance with the Rules of Commercial Arbitration of the American Arbitration Association. The arbitration proceeding shall be conducted in Little Rock, Arkansas, and shall afford the parties with opportunities to present and rebut evidence relating to the applicable issues. Judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. No party to the arbitration shall appeal to any court an order of the arbitrator. The arbitrator may allocate among the parties to the arbitration the costs, fees and other expenses (including but not limited to attorneys' fees and expenses) relating to an arbitration in any manner that the arbitrator shall determine to be appropriate in his absolute discretion.

17.17 Waiver of Appraisal Rights. No Member or Economic Interest Owner is entitled to appraisal rights as to any Membership Interest or Economic Interest.

17.18 Limited Liability Company Agreement. This Agreement, although styled as an "Operating Agreement" shall constitute the Company's "limited liability company agreement" under the Act.

17.19 Entire Agreement. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supercedes all other prior and contemporaneous agreements and understandings, both written and oral, among the parties or any of them with respect to the subject matter hereof.

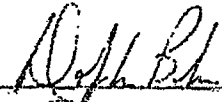
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*[Signatures on following page.]*

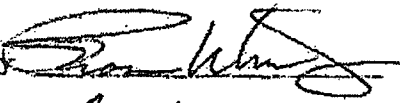


IN WITNESS WHEREOF, the parties have executed this Operating Agreement on this the 3<sup>rd</sup> day of May, 2007, but it is effective as of April 28, 2007.

CAL-MAINE FOODS, INC.

By:   
Its: President

PW3 HOLDINGS, LLC

By:   
Its: President